

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	Chapter 11
FRANCHISE GROUP, INC., <i>et al.</i> , ¹	Case No. 24-12480 (JTD)
Debtors.	(Jointly Administered)
	Ref. Docket Nos. 435; 570; 572; 573; 574; 575; 576; 577; 578 and 646.

**CERTIFICATION OF COUNSEL REGARDING REVISED
PROPOSED ORDER (A) AUTHORIZING DEBTORS TO SELL BY PRIVATE SALE
CERTAIN OF DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS,
AND ENCUMBRANCES, WITH SUCH INTERESTS TO ATTACH TO
THE PROCEEDS, AND (B) GRANTING RELATED RELIEF**

On December 13, 2024, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) filed the *Motion of Debtors for Entry of Order (A) Approving the Private Sale of Certain of Debtors’ Assets Free and Clear of Liens, Claims, and Encumbrances, with Such Interests to Attach to the Proceeds, and (B) Granting Related Relief* [Docket No. 435]

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising , LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

(the “Motion”). A proposed form of order (the “Proposed Order”)² approving the Motion was attached thereto as Exhibit A. A schedule of unexpired nonresidential property leases subject to assumption and assignment to the Purchaser pursuant to the Motion (the “Assumed Leases”) was appended to the Proposed Order as Exhibit 1.

The deadline to file objections or otherwise respond to the Motion was established as December 27, 2024 at 4:00 p.m. (ET) (the “Objection Deadline”).³ Prior to the Objection Deadline, the Debtors received informal comments to the Proposed Order from the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”). The Debtors also received objections [Docket Nos. 570, 572–578, 646] (collectively, the “Objections”) from several parties (together with the U.S. Trustee, the “Objecting Parties”) to the proposed assumption and assignment of certain Assumed Leases to the Purchaser.

Following discussions with the Objecting Parties, the Debtors have agreed to revise the Proposed Order, as reflected in the revised Proposed Order attached hereto as Exhibit A (the “Revised Proposed Order”), and the schedule of Assumed Leases (the “Revised Assumed Leases”),⁴ attached thereto as Exhibit 1. The Objecting Parties do not object to entry of the Revised Proposed Order, which excludes any relief related to the assumption and assignment of the Assumed Leases that are subject to the Objections (the “Reserved Leases”).⁵ Such Objections, and the proposed assumption and assignment of the Reserved Leases to the Purchaser, will be

² Capitalized Terms used but not defined herein shall have the meanings ascribed to such terms in the Motion or Proposed Order, as applicable.

³ The Objection Deadline was extended for certain Objecting Parties (as defined below).

⁴ For the avoidance of doubt, the Revised Assumed Leases exclude the leases that are the subject of the Objections. To the extent that the Debtors and the Objecting Landlords can resolve the Objections in advance of the Hearing, the Debtors intend to submit under certification of counsel a supplemental order approving the assumption and assignment of such leases.

⁵ The Reserved Leases are set forth on Exhibit 2 to the Revised Proposed Order.

submitted for the Court's consideration at the hearing on the Motion (which may be adjourned or otherwise rescheduled, the "Hearing"). For the convenience of the Court and other interested parties, a blackline comparing the Revised Proposed Order against the Proposed Order is attached hereto as Exhibit B.

WHEREFORE, the Debtors did not receive any objections or responses other than those described herein, and the Objecting Parties do not object to entry of the Revised Proposed Order, subject to the reservations set forth therein with respect to the Objections and the Reserved Leases, the Debtors respectfully request that the Court enter the Revised Proposed Order without further notice or a hearing at the Court's earliest convenience.

[Remainder of Page Intentionally Left Blank]

Dated: January 3, 2024
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Shella Borovinskaya

Edmon L. Morton (Del. No. 3856)
Matthew B. Lunn (Del. No. 4119)
Allison S. Mielke (Del. No. 5934)
Shella Borovinskaya (Del. No. 6758)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
emorton@ycst.com
mlunn@ycst.com
amielke@ycst.com
sborovinskaya@ycst.com

-and-

WILLKIE FARR & GALLAGHER LLP

Debra M. Sinclair (admitted *pro hac vice*)
Matthew A. Feldman (admitted *pro hac vice*)
Betsy L. Feldman (Del. No. 6410)
Joseph R. Brandt (admitted *pro hac vice*)
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111
dsinclair@willkie.com
mfeldman@willkie.com
bfeldman@willkie.com
jbrandt@willkie.com

*Proposed Co-Counsel to the Debtors
and Debtors in Possession*